

CHAPTER 8

CREATIVE INDUSTRIES IN INDIA AND THEIR IMPACT ON THE ECONOMY

DR IMRANUR RAHMAN

ASSISTANT PROFESSOR

LUCKNOW PUBLIC COLLEGE OF PROFESSIONAL STUDIES

Email: drimranlpcps@gmail.com

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ABSTRACT

A collection of business ventures built around innovative concepts is known as the creative industries. These encompass creative industries like publishing, design, music, architecture, film and video, crafts, visual arts, fashion, TV and radio, yoga, literature, and computer games, among others. The creative industry is one of the sectors of the Indian economy that is expanding. The cultural industries and the creative economy are other names for the creative industries. Another name for it is the "orange economy." As per a report published by the Exim Bank of India, \$121 billion in exports of goods and services came from India's creative economy, which includes design, audio and video arts, and arts and crafts.

8.1 INTRODUCTION

The creative industries are at the centre of the discourse regarding the future labour market in India and in the world. Technological improvements affecting digitization and automation processes in the labour market. Create an advantage for highly skilled workers, and threatening to change the labour market beyond recognition. Defined professions as part of the creative industries (design, architecture, illustration, fashion, acting, art, goldsmithing, etc.) are considered for safe professions. The expectation is that the demand for these professions will not only decrease in the coming decades, but The demand for workers in these industries is expected to increase. While digitization and automation processes threaten Professions in which the required set of skills is adaptive or one that can be converted into sophisticated and fast practice more through computers, artificial intelligence and robots, the demand for professions that require skills like Creativity and social skills are actually expected to grow.

On the other hand, despite the understanding that the occupation of professions that require creativity at an increased level is expected to prevail in the years. In the near future, Indian economy is not making the necessary preparations to promote these industries. Among others can be named Poor employment conditions, stagnation in everything related to academic and professional training in the field and a lack of creativity Incentives for professional conversions and to encourage young people to study these professions. The main purpose of this study is to examine the different policy measures that have been taken in different countries to promote the industries creativity, as well as to examine the unique characteristics of the Indian economy in order to formulate a series of recommendations for the policy to promote the creative industries in India. The issue of the creative industries has gained resonance and widespread attention in various countries in recent decades. Over the past decades in leading European countries such as Austria, Great Britain, Germany, Denmark and the Netherlands Bodies have been established whose purpose is to promote policies that will nurture these industries and advance them. Therefore, it is proposed as part of a study This is because a round table body will be established in India as well, which includes both government representatives and representatives from educational institutions higher than the business sector, in order to promote these industries. It is also required to establish a body that will gather all the data and the trends in the creative industries and will take care of it. Recent studies show that the creative industries can accelerate growth, promote innovation in the economy as a whole and not only in the creative industries sector. The positive for additional sectors is proven and has significant growth potential. Therefore, in this study the main trends of the creative industries will be presented. It appears that the employment rates in industries Creativity, even without intervention and policy promotion, is in a trend of significant growth compared to the rest the economy. However, in light of productivity problems, the forecast is that wages will not rise at a rate that matches the increase in demand For services to the Creative Industries. On, it is also proposed, among other things, within the framework of the research, to help businesses in industries The creativity to improve their work productivity, whether through upgrading the training system that exists today in the economy and whether through assistance in supporting processes such as strategic thinking, financial literacy and the creation of Regular work plans.

This study deals with the creative industries in India. Creative industries in India, in terms of indicators such as employment, wages, productivity, compensation for the job, profit from employing workers and the situation The independents and freelancers in the creative industries in India. Along with the current situation, this chapter provides Forecast for the development of the creative industries until the year 2030.

This chapter presents a series of policy measures for the Indian economy in order to promote the creative industries, relying on the specific characteristics of the creative

industries in India and on the trends in the policy field that exist in the sampled countries.

The creative industries in India are defined as a collection of industries where creative skills are widely practiced. The creative industries in India include the advertising and marketing industries, architecture, design in all its shades, design Fashion, music, literature, journalism, photography, theatre, cinema, carpentry and sewing.

The increase in the number of people employed in trades relevant to the creative industries increased at a rate more than double the increase in total employed in the economy also,

in the branches relevant to the creative industries, the employment rate is expected to increase significantly as well (including employed in the creative industries in non-creative trades).

As far as wages are concerned, in the overwhelming majority of branches in the fields of creative industries the average wage is lower than the average in the economy. However, the growth rate of wages in the creative industries is higher than the growth rate of the average wage in the economy. The increase in wages in sectors in the creative industries is expected to bring them closer to the average wage, however, also- In 2030, the forecast is that only three sub-sectors will benefit from a salary higher than the average salary - communication, Architecture and advertising. This figure implies that a policy change is required to promote the creative industries.

It is of the utmost importance to improve the monthly output per employee in relation to the remuneration for a monthly position. productivity improvement It will also lead to increased labour productivity, and will also improve the profitability of firms in sub-sectors of the creative industries.

As far as the self-employed and freelancers are concerned, it appears that the prevalence of those in the creative industries is high in the economy. Among the businesses registered as far as an international comparison is concerned, it appears that many European countries have policies that support industries. Creativity and those receive special recognition of protected industries or industries that receive grants and subsidies. Extensive government. There are also databases that provide tools for decision makers about the industries the creativity. On the other hand, in the USA there are almost no protections for the creative industries, These are struggling to survive and remain competitive. Based on the international comparison and the data of the economy, it is proposed to promote the following policy measures:

- **Round table** - setting up a round table that will include government representatives, representatives from academia and institutions. The various educations relevant to the creative industries and industry personnel, including representation to bodies financial. It is proposed that the round table be responsible for gathering information and forecasts about the industries. Creativity, formulating an orderly work plan, monitoring the implementation of the plan and producing periodical reports. In combination with conclusions about the effect of the existing policy on the state of the creative industries.

- **Improvement of training programs** - improvement of training programs in the economy should be carried out through several channels at the same time - Establishing a uniform standard and enforcing it, upgrading existing programs in consultation with experts from the industry, creating an internship program for students in the industry as part of their studies, developing thinking Already creative and entrepreneurial in schools, promoting and upgrading student exchange programs.
- **Improving access to financing** - it is necessary to improve access to sources of financing for businesses dealing with industries the creativity. The way to do this is through the establishment of a committee to think about and monitor property rights intellectual property and copyright, the establishment of a government fund that will help finance businesses in the creative industries, Increasing the awareness of classical financial institutions, such as banks, to the importance and potential of the industries The creativity as well as the exposure of the businesses in the creative industries to alternative funding sources.
- **A systematic government plan** - beyond the steps mentioned above, the government should establish an aid system For businesses in the creative industries that will include consulting and accompanying programs for businesses with regards to the processes of financial literacy, business plans and strategic consulting, to increase investment in digital infrastructures, Support for exporting and promoting the status of self-employed people and freelancers in India
- **A representative umbrella organization** - a representative umbrella organization must be established for all employed and employers in creative industries. This organization will promote awareness of the importance of the creative industries among decision makers and among industries Parallels, alongside the creation of a sense of community within the creative industries. Taking these policy steps is expected to increase the annual growth rate of the number of people employed in industries

8.2 WHAT ROLE DOES THE CREATIVE INDUSTRIES PLAY?

In India, the creative industries are a substantial source of both cultural and financial value. They are expected to account for 8% of employment in India and 3.1% of the world GDP. According to estimates, the creative economy in India makes up a \$36.2 billion business altogether. India's creative economy generated 121 billions of dollars in export revenue in 2019. India's creative industry made up 2.5 percent of the country's GDP prior to the Covid pandemic. India is the world's largest film producer and ranks among the top 10 nations in the world for promoting commerce in creative goods and services (2022). Creative enterprises have the potential to assist in: Jobs, economic expansion, travel, exports, general societal advancement, and sustainable human development

8.3 WHAT ADVANTAGES DO THE CREATIVE INDUSTRIES OFFER?

There are following advantages of the creative industries:

Creating Jobs and Earning Money: For young and gifted people in particular, the creative industries represent a major source of employment and income. Nearly 8% of jobs in India are generated by the creative sectors, per a 2023 Asian Development Bank, report.

Effects of spill overs on the overall economy: The creative industries have a significant positive economic impact on innovation, travel, education, and urban development, among other areas. These sectors foster innovation by encouraging experimentation, creativity, and cross-disciplinary collaboration.

Tourism Boost: Travellers who participate in cultural experiences and spend money on lodging, transportation, and other associated activities are drawn to the creative industries. This visitor inflow makes a substantial contribution to both the Indian economy and the tourism sector.

Education and Skill Development: The creative industries are essential to both of these areas. They foster diversity and cultural understanding while offering educational opportunities. Programmes for creative education foster talent and provide avenues for the development of skills in a range of artistic and technological domains.

Urban Development: By establishing dynamic and appealing venues for social and cultural exchange, the creative industries may bring life to urban areas. Theatres, galleries, entertainment districts, and other cultural hotspots enhance a city's general liability and can promote local economic growth.

Promotion of India's Resources and Heritage: The country's creative sectors provide a stage on which to present India's voluminous and varied history, customs, and culture to a global audience. They also make use of the wealth of people and natural resources found in India, including its biodiversity, handicrafts, and entrepreneurial spirit.

Global Branding and Soft Power: India can boost its brand value and sway customer decisions in the global market by exporting innovative goods and services. Through promoting knowledge sharing and cross-cultural exchange, the creative industries help India project soft power by fortifying diplomatic and cultural relations with other nations.

8.4 WHAT OBSTACLES FACE THE CREATIVE INDUSTRIES?

Policy Neglect: Without priority status, the creative sectors frequently linger on the periphery of federal and state regulations. A lack of collaboration between pertinent ministries makes the problem worse.

Deficiencies in the infrastructure: The creation, distribution, and movement of creative goods and services for workers and customers are disrupted by inadequate infrastructure, which includes digital networks, transportation, and basic comforts.

Inadequate Data The lack of trustworthy data about the scope, influence, and contribution of India's creative industries impedes the growth, identification, and formulation of policies pertaining to the sector.

Financial Difficulties: The creative industries face difficulties in obtaining funding due to the scarcity of consistent governmental funding and the reluctance of risk-averse private investors. Venture capital and other innovative finance sources are underutilised.

Intellectual Property Vulnerability: Both online and offline, piracy, counterfeiting, and infringement of intellectual property rights pose challenges to the creative economy. Inadequate knowledge and antiquated legal structures make it difficult to defend and uphold creative rights.

8.5 WHICH STEPS HAVE BEEN IMPLEMENTED TO SUPPORT THE CREATIVE INDUSTRIES?

The Ministry of Information and Broadcasting oversees the National Film Development Corporation (NFDC), a public sector organisation whose mission is to plan, organise, and promote the efficient and integrated growth of the Indian film industry.

Under the Ministry of Commerce and Industry, the National Institute of Design (NID) is an independent organisation that provides outreach, research, education, and consulting services in a range of design-related fields.

Through a variety of initiatives, including science festivals, exhibitions, competitions, workshops, and camps, the Ministry of Culture's Scheme for Promotion of Culture of Science (SPoCS) seeks to promote a culture of science, technology, and innovation among the general public, particularly among young people.

In order to improve the standard of formal education and raise awareness of India's rich and varied cultural heritage, the voluntary Scheme for Promotion of Indian

Classical Music and Dance (SPIC MACAY) initiative presents classical music and dance, folk arts, crafts, yoga, meditation and cinema in schools, colleges and other institutions around the nation.

The Ministry of Micro, Small, and Medium Enterprises (MSME) administers the International Cooperation (IC) Scheme, which offers financial support for MSMEs to attend international trade shows, exhibitions, buyer-seller meetings, and other promotional events in an effort to increase their competitiveness.

A programme run by UNESCO called Creative City Network assists cities in exchanging best practices and forming alliances with the public and corporate sectors as well as civil society to support the development, production, and dissemination of cultural events.

Hyderabad has been named a Creative City of Gastronomy and Mumbai a Creative City of Films under this initiative.

In the past, Indian cities such as Jaipur was inducted into the City of Crafts and Folk Arts, and Chennai and Varanasi into the UNESCO Cities of Music.

8.6 HOW CAN THE CREATIVE INDUSTRIES BE PROMOTED?

Utilising the depth and diversity of India's cultural past and customs to produce distinctive, genuine goods and services that are appealing to both local and international consumers. For instance, creating brand-new genres of literature, music, dance, art, design, and crafts that capture the vibrancy and diversity of Indian culture and history.

Encouraging the use of digital tools and platforms to improve the innovativeness, quality, and accessibility of creative works. For instance, creating interactive and captivating experiences for a range of audiences and industries through the use of animation, visual effects, gaming, and immersive media.

Encouraging various creative economy stakeholders—including artists, entrepreneurs, academics, educators, policymakers, and consumers—to collaborate and co-create. Establishing networks, hubs, and clusters, for instance, can help creative practitioners and industries share resources, grow their skills, and exchange knowledge.

Addressing the issues and gaps in the creative economy, including the dearth of information, funding, assistance from policymakers, and protection of intellectual property. For instance, increasing the amount of research done on the creative industries, creating more favourable laws, enforcing IP rights more strictly and

raising public awareness of them, and expanding access to capital and investment opportunities.

8.7 POLICY RECOMMENDATIONS FOR THE CREATIVE INDUSTRIES IN INDIA AND THEIR IMPACT ON THE ECONOMY

The current situation in the creative industries was presented in depth and in detail; the forecast

for the development of the creative industries until the next 10 years in the fields of employment, wages, productivity, compensation for the job and their status of self-employed people and freelancers; International comparison of main policy measures implemented in Western countries. In this chapter we will examine the policy measures required in India based on these data and in order to improve The status of the creative industries, industries whose importance is on a constant upward trend and whose forecast is that the scope of jobs also, without taking policy measures, is expected to grow 1.5 times the growth rate of jobs in the economy and present how taking these policy measures can improve the situation of the industries. Round table on the subject of the creative industries today, under the Ministry of Culture and Sports there are two directors - the Director of Culture and the Director of Sports. Furthermore, there are several councils such as the Indian Council for Culture and Art and the Council for Film Criticism. Yet,

There is no enough available and accessible information on the website of the Ministry of Culture regarding the activities of the Director of Culture or the Indian Council for culture and art. Therefore, it is proposed that next to the Director of Culture and the Director of Sports, the Director of Creative Industries will be established.

This manager will be a central public body that will be responsible for proposing policy rules, monitoring their implementation, and analysis the conclusions arising from them. Similar to what is customary in the world, the manager of the creative industries must include representatives from the public/private sector, the business sector and higher education institutions. It is recommended that in addition to a representative of the Ministry of Culture and Sports, the director should include representatives from the following government ministries:

- **Ministry of Finance** - A representative who will be responsible for the director's relationship with the Ministry of Finance, who will examine options budgeting and financing various projects and will be able to report to the Ministry of Finance on the manager's activities, progress of projects, the observed consequences and trends in the creative industries in India.

- **Ministry of Economy and Industry** - The Ministry of Economy and Industry is responsible, among other things, for assisting in its development and the establishment of an efficient and profitable industry with competitive capacity, as well as on the development of human capital on purpose To increase the human

infrastructure according to the needs of industry and the economy. Therefore it is important that a manager The creative industries will have a government representative who will be responsible for these areas. Also, in order to create A positive spill over from the creative industries to other traditional industries is important for developing thinking combined between the above bodies.

- **The Ministry of Science, Technology and Space** - The Ministry of Science, Technology and Space is responsible, among other things, for investment in scientific research, and this is a link between academic research and industrial development. The representative of the office in the manager The creative industries will be responsible, among other things, for promoting the development and research of the creative industries and a connection between the advanced technological and scientific industries and the creative industries in India

- **The Ministry of Foreign Affairs** - the representative of the Ministry of Foreign Affairs in the administration will be responsible for promoting the export of the creative industries as a country known for its entrepreneurship and innovation, can increase soft power through the export of creative industries abroad. to the Ministry of Foreign Affairs and embassies around the world

Ability to positively influence the exposure to Indian culture as well as economic advancement and finding Clients for companies involved in creative industries in India.

Along with the representatives of the government ministries, it is proposed that representatives of the related higher education institutions also sit on the board for the creative industries. Many higher education institutions that offer study programs that are relevant to the creative industries.

Directorate of Creative Industries, along with a place for the big and well-known schools, a platform will also be given to institutions smaller ones, which offer more focused programs, alongside a place for a representative of schools of education, so that they can to more successfully introduce studies related to the creative industries. It is also proposed that one places should be reserved for the representation of the business sector. Among the representatives will be a representative of a central financial institution or a venture capital fund - and this is so that the voice of the mediator can be heard by the manager between the financial sector and the creative industries. Among the manager's responsibilities it will be possible to name:

- Centralization of all information and forecasts about the creative industries - in India there is no organized and uniform information about the creative industries which enables comparison over time, analysis of trends in an orderly manner and understanding of Strengths and weaknesses of the creative industries in India. In order to overcome information gaps, and accordingly According to the international standard, it is required that an administrator produce an annual report of the state of the creative industries in India and to concentrate all the data in the field. Beyond the annual review, it is suggested that dedicated reports be

made with Different topics, depending on the needs that will be discovered within the manager's activity.

- Forming a regular work plan - in order to overcome the obstacles that exist for the creative industries In India it is required to formulate a strategic plan during the year 2019 - the creative industries in next 10 year - a plan which will come into effect in 2020. The plan should include several key steps - first, it is required Increase the public funding given to the creative industries and examine different alternatives of action, as which will be presented in the following sections of the recommendations, setting goals and examining various alternatives in order to realize the same goals.
- Monitoring the implementation of the work plan - it is proposed that there be quarterly meetings of the manager, who will examine the monitoring of the implementation of the proposed initiatives, the allocation of resources, the differences in the data, etc. Depending on the level of realization of the steps, it is recommended to formulate recommendations to improve the ability to meet the goals and to produce periodic reports about the meetings, their protocols and the decisions made in them regarding the creative industries.
- Submission of reports and conclusions - as part of the annual report of the creative industries, it is recommended to have a chapter which refers to the level of implementation and progress of the strategic plan of the creative industries to 2025. The report will include a series of conclusions regarding the various activities, their level of success in all regards For the goals, what are the most relevant points for the manager's success and what more needs to be done in this regard.

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